

### ***Caution: DRAFT FORM***

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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**Medical Savings Accounts  
and Long-Term Care Insurance Contracts**▶ **Attach to Form 1040.**▶ **See separate instructions.**Social security number of MSA  
account holder. If both spouses  
have MSAs, see page 1 ▶**Section A. Medical Savings Accounts (MSAs).**

If you have only a Medicare+Choice MSA, skip Section A and complete Section B.

**Part I MSA Contributions and Deductions.** See page 1 of the instructions before completing this part.If you and your spouse each have high deductible health plans with self-only coverage, check here ▶ ☐

If you check this box, complete a separate Part I for each spouse (see page 2 of the instructions).

**1a** Were any employer contributions made to your MSA(s)? ☐ Yes ☐ No**b** Enter all employer contributions to your MSA(s) for 2000 ▶**2** Enter MSA contributions that you made for 2000, including those made from January 1, 2001, through April 16, 2001, that were for 2000. Do not include rollovers (see page 2 of the instructions)**3** Enter your limitation from the worksheet on page 3 of the instructions**4** Enter your compensation (see page 2 of the instructions) from the employer maintaining the high deductible health plan. If you (and your spouse, if married filing jointly) have more than one plan, see **How To Complete Part I** on page 2 of the instructions. (If self-employed, enter your earned income from the trade or business under which the high deductible health plan was established.)**5 MSA deduction.** Enter the **smallest** of line 2, 3, or 4 here and on Form 1040, line 25**Note:** If line 2 is more than line 5, you may have to pay an additional tax. See page 2 of the instructions for details.**Part II MSA Distributions****6a** Enter the total MSA distributions you and your spouse received from all MSAs during 2000 (see page 3 of the instructions)**b** Enter any distributions included on line 6a that you rolled over to another MSA (see page 3 of the instructions). Also include any excess contributions (and the earnings on those excess contributions) included on line 6a that were withdrawn by the due date of your return**c** Subtract line 6b from line 6a**7** Enter your total unreimbursed qualified medical expenses (see page 4 of the instructions)**8 Taxable MSA distributions.** Subtract line 7 from line 6c. If zero or less, enter -0-. Also include this amount in the total on Form 1040, line 21. On the dotted line next to line 21, enter "MSA" and the amount**9a** If any of the distributions included in line 8 meet any of the **Exceptions to the 15% Tax** (see page 4 of the instructions), check here ▶ ☐**b Additional 15% Tax** (see page 4 of the instructions). Enter 15% (.15) of the distributions included in line 8 that are subject to the 15% tax. Also include this amount in the total on Form 1040, line 57. On the dotted line next to line 57, enter "MSA" and the amount**Section B. Medicare+Choice MSA Distributions.**

If you are married filing jointly and both you and your spouse received distributions from a Medicare+Choice MSA in 2000, complete a separate Section B for each spouse. See page 4 of the instructions.

**10** Enter the total distributions you received from all Medicare+Choice MSAs in 2000**11** Enter your total unreimbursed qualified medical expenses (see page 5 of the instructions)**12 Taxable Medicare+Choice MSA Distributions.** Subtract line 11 from line 10. If zero or less, enter -0-. Also include this amount in the total on Form 1040, line 21. On the dotted line next to line 21, enter "Med+MSA" and the amount**13a** If any of the distributions included in line 12 meet any of the **Exceptions to the 50% Tax** (see page 5 of the instructions), check here ▶ ☐**b Additional 50% Tax.** See page 5 of the instructions. Enter here, and also include it in the total on Form 1040, line 57. On the dotted line next to line 57, enter "Med+MSA" and the amount

Name of policyholder (as shown on Form 1040)

Social security number  
of policyholder ▶**Section C. Long-Term Care (LTC) Insurance Contracts.**See **Filing Requirements for Section C** on page 6 of the instructions before completing this section.If more than one Section C is attached, check here . . . . . ☐**14a** Name of insured ▶ \_\_\_\_\_ **b** Social security number of insured ▶ \_\_\_\_\_**15** In 2000, did anyone other than you receive payments on a per diem or other periodic basis under a qualified LTC insurance contract covering the insured or receive accelerated death benefits under a life insurance policy covering the insured? . . . . . ☐ Yes ☐ No**16** Was the insured a terminally ill individual? . . . . . ☐ Yes ☐ No**Note:** If "Yes" and the **only** payments you received in 2000 were accelerated death benefits that were paid to you because the insured was terminally ill, skip lines 17 through 25 and enter -0- on line 26.**17** Gross LTC payments received on a per diem or other periodic basis. Enter the total of the amounts from box 1 of all Forms 1099-LTC you received with respect to the insured on which the "Per diem" box in box 3 is checked . . . . .**Caution:** Do **not** use lines 18 through 26 to figure the taxable amount of benefits paid under an LTC insurance contract that is not a **qualified** LTC insurance contract. Instead, if the benefits are not excludable from your income (for example, if the benefits are not paid for personal injuries or sickness through accident or health insurance), report the amount not excludable as income on Form 1040, line 21.**18** Enter the part of the amount on line 17 that is from **qualified** LTC insurance contracts . . .**19** Accelerated death benefits received on a per diem or other periodic basis. Do not include any amounts you received because the insured was terminally ill. See page 5 of the instructions .**20** Add lines 18 and 19. . . . .**Note:** If you checked "Yes" on line 15 above, see the instructions for line 15 on page 5 before completing lines 21 through 25.**21** Multiply \$190 by the number of days in the LTC period . . . . .**22** Enter the costs incurred for qualified LTC services provided for the insured during the LTC period (see page 7 of the instructions). . .**23** Enter the **larger** of line 21 or line 22 . . . . .**24** Enter the total reimbursements received for qualified LTC services provided for the insured during the LTC period . . . . .**Caution:** If you received any reimbursements from LTC contracts issued before August 1, 1996, see page 7 of the instructions.**25** Per diem limitation. Subtract line 24 from line 23 . . . . .**26** **Taxable payments.** Subtract line 25 from line 20. If zero or less, enter -0-. Also include this amount in the total on Form 1040, line 21. On the dotted line next to line 21, enter "LTC" and the amount. . . . .